Recruitment of Ex-Servicemen in LIC

3726. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 5412 given in the Rajya Sabha on 3rd May, 1994 and state:

(a) whether Government are aware that the Zila Sainik Board, Dehradun have categorically verified recently that no vacancies for the post of Assistants in LIC Division of Dehradun was asked from them if so, the reaction of Government thereto;

(b) whether LIC at any stage of recruitment had fixed any cut off date of the retirement of Ex-Servicemen for their candidature for the post, if so, the details thereof and if not, the reasons for fixing such cut off date;

(c) whether Government are aware that LIC Circular No. ZD/2/1993 dated the 25th February, 1993 provides for scrutiny of applications before written test, verification of original certificates during interview, calling a number of candidates for interview equal to three times the number of empanelled in each category and production of discharge certificate at the time of joining the service of the LIC.

(d) if so, to what extent LIC has followed the said provisions in respect of candidatures of Ex-Servicemen particularly while calling them for interview for empanelling 120 candidates for the post; and

(e) what immediate remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHAR MURTHY): (a) The Life Insurance Corporation of India (LICI) have reported that their Dehradun Divisional Office sent a letter on 28th December, 1992 to Zila Sainik Board, Dehradun in this regard.

(b) The LICI have reported that though no cut off date as such was specifically prescribed, the notification calling for applications made it clear that a copy of the Discharge Certificate must be submitted alongwith their applications for which the last date was 12th January, 1993. Thus by implication the cut off date for discharge was 12th January, 1993.

(c) The LICI have reported that the notification for employment was issued prior to the issue of revised recruitment instructions dated the 25th February, 1993 and hence that circular is not applicable in this case.

(d) Does not arise.

(e) The Ex-Servicemen candidates who were not selected have already filed a case in the court of Civil Judge, Dehradun. The matter is sub-judice. Therefore, the LICI have reported that further steps can be taken only after this case has been decided by the court.

Pact signed between India and China

3727. SHRI S.K.T. RAMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India and China have signed a pact to avoid double taxation in both the countries; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. The agreement signed in July, 1994 will come into force on the Thirtieth day after both countries complete the necessary legal formalities.

(b) The proposed agreement, *inter alia*, provides for rates of taxation lower than the domestic rates in cases of dividends, interests, royalties and fees for technical services.

In order to exempt income from casual and stray business activities from taxation in the country where the income arises, it has been provided that income of an enterprises of one country will be liable to taxation in the other country only if the business is carried on through a fixed place.

The income of the enterprises in air and shipping business are proposed to be mutually exempt from taxation. Capital gains from alienation of shares in Indian companies will be liable to taxation in India.

Double Taxation is proposed to be eliminated by credit method, that is, the enterprise of a country will get credit against tax payable in its country of the amount of tax paid by it in other country on the doubly taxed income. It is also provided that if an income is exempt from taxation in the other country for